Toulon, 22 March 2017, 07.00 am

Strong improvement of profitability

In € millions	2016	2015	H2 2016	Change 2016/2015 (%)
Revenue	**112.5**	105.2	59.5	*+6.9%*
EBITDA[1]	**14.6**	14.0	9.3	*+4.4%*
Profit (loss) from continuing operations	**9.3**	8.9	6.0	*+5.3%*
Current operating margin	***8.3%***	*8.4%*	*10.0%*	-
Operating income	**14.0**	6.0	11.0	*x2.3*
Tax	**(2.0)**	0.6	(1.2)	-
Net income	**12.0**	6.7	9.8	*+79.3%*
Net income Group share	**12.0**	6.7	9.9	*+78.7%*

(1) EBITDA: Current operating income before depreciation, amortisation and provisions

The 2016 financial statements were approved by the Board of Directors on 20 March 2017. Audit procedures were performed by the statutory auditors, and the audit report is currently being issued.

In 2016, consolidated revenue stood at €112.5 million compared to €105.2 million in 2015, up +6.9%. External growth operations (ELTA and BE Mauric) contributed marginally as these subsidiaries were only consolidated from the end of November.

Revenue for the *Simulation* division fell by 4.4%. The division had a very positive year in 2015 with a contract for military vehicle simulators for the Middle East. This contract ended during 2016 and therefore contributed less to revenue than in 2015. A second contract is announced for the same customer in February 2017, and will contribute to 2017 revenue (see press release).

The *Robotics and Integrated Systems* and *Aerospace* divisions saw growth of 10.2% and 5.3% respectively.

The Group's current operating margin improved during the second half of 2016 compared to the first half year, although the breakdown of revenue between the 1st and 2nd half years was less marked than previous years in favour of the 2nd half year.

Operating income saw strong growth at €14 million compared to €6 million for the previous financial year. In 2015, the Group was penalised by relocation costs (over €1.6 million). In 2016, it benefited from the favourable impact of negative goodwill (almost €5.5 million) recorded due to the advantageous conditions of the ELTA acquisition.

Detailed performance by division

The *Robotics and Integrated Systems* division performed strongly with profit (loss) from continuing operations up €2.4 million and the current operating margin reaching 8.7% versus 5.9% in 2015. This division has grown significantly following the investment expenses in 2014 in sales, marketing and R&D.

The *Aerospace* Division saw its current operating income decrease by €0.6 million despite the increase in revenue. This drop is due to an unfavourable contract mix effect. Current operating margin for the *Aerospace* division amounted to 5.3%.

Lastly, the *Simulation* Division recorded a €1.3 million decrease in current operating income. Current operating margin for the division amounted to 10.6% versus 19.1% in 2015. The slowdown in terms of the margin is mainly due to a volume effect and contracts with better margins in 2015. This current operating margin is, however, the highest in the ECA Group.

Financial structure and Dividend

The Group's operating performance improved but the cash situation deteriorated.
The Group's net debt adjusted for treasury shares was €3.4 million (compared to a net cash position of €4.5 million as at 1 January 2016).
The change in net debt is notably explained by the sustained level of investments over the financial year, with high levels of R&D investments, and two external growth operations in 2016 (ELTA and BE Mauric). The working capital requirement increased by €10.7 million. This increase is the result of the growth in business for €7.6 million and the Group's tax situation with almost €15 million in tax credits (Research tax credit and Employment tax credit).

In July 2016, the ECA Group signed a €10 million renewable credit line with CIC confirmed up to July 2021. At the end of December 2016, the credit line had been drawn down by €9 million.

As a result of its confidence about the overall situation and outlook, the Board of Directors will propose the distribution of a dividend of €0.30 per share to the Shareholders' Meeting.

Outlook

The ECA Group is experiencing a positive trend. Efforts over the last few years mainly focusing on improving sales have started to show results with significant revenue growth over the last two financial years and a strengthened export presence.
Work to strengthen its positions in core markets, in particular, mobile robotics and robotic systems is ongoing. To achieve this, the Group benefits from a number of favourable factors, in particular, the growth of advanced robotic markets, requirements linked to the ramp-up of aeronautics and the reinforcement of simulation in training courses and practice sessions.

The prospects for this year for the *Robotics and Integrated Systems* division are rather promising. At 1 January 2017, the order book was up 13% at €79 million.
The division is continuing with its development and sales plan for integrated drone-based maritime solutions for maritime surveillance, underwater mine disposal, hydrography and oceanography, whilst also developing robot systems - different and complementary - for the same mission.
The *Robotics and Integrated Systems* division is also focusing on broadening its USV (surface drone) range and on its ability to integrate its robotic systems into different vessel types via its new subsidiary, BE Mauric, in which the Group acquired 60% of the share capital at the end of the financial year.
The Group is also continuing to develop its magnetic ranging offer for vessels (STERNA®), for which it received the innovation trophy at Euronaval 2016. An initial order for STERNA® has already been announced (see press release).

The *Aerospace* Division is also experiencing positive momentum. It reinforced its skills during 2016 with the acquisition of ELTA, and now has strong experience in embedded aeronautics equipment and genuine know-how in the radio-frequency and radio-transmission areas. This acquisition enables the Group to target new customers. The Group recently announced contracts worth over €3 million to equip 680 aircraft with its Emergency Location Transmitters (ELT's) (see press release). According to the International Civil Aviation Organisation (ICAO), air traffic should double over the next 15 years with 33,000 aircraft being produced by 2035, thus offering positive growth outlooks for this division.
During the necessary reorganisation phase when several new products will be certified and completed, ELTA's activity could see a decline compared to its historical levels. The Group expects a significant strategic contribution in the medium term to the division's growth.

Lastly, the outlook for the *Simulation* Division is also good across all of its markets (Civil and Defence), and particularly in Defence (with the growing development of tactical training requirements). The Defence Training Simulation market accessible for the Group is estimated at over €50 million annually.
The division will also continue to develop sales of driving and aeronautical simulators in the civil segment.
At 1 January 2017, the order book was up 46% at €15 million - representing over one year of activity. A second tactical simulator order was recorded at the end of 2016 and announced at the beginning of 2017.

For 2016, the Group positioned itself in respect of numerous significant calls for tender: airborne drones, complete robotic systems, aeronautical assembly systems, integrated underwater systems, etc. The order book reached €115 million at the start of 2017.

The Group is aiming to achieve revenue of €120 million for 2017.

A detailed presentation with observations is available on our internet site:
http://www.ecagroup.com/en/investors/documents

or on our YouTube channel (French version only)
https://youtu.be/gYTHFNmzku8

Next key date:

Publication of revenue for first-quarter 2017 on 25 April 2017.

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The ECA Group

Recognized for its expertise in robotics, automation systems, simulation and industrial processes, the ECA Group has been developing complete, innovative technological solutions for complex missions in hostile and confined environments since 1936. Its product offering is designed for an international client base that is demanding, both in terms of safety and effectiveness. The Group's main markets are in the defense, maritime, aeronautics, simulation, industrial and energy sectors.
In 2016, the Group reported revenue of €112.5 million across its three divisions: Robotics & Integrated Systems, Aerospace and Simulation.

The ECA Group is a Groupe Gorgé company.

The ECA Group is listed on Euronext Paris Compartment C.
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